## CITY OF MINNEAPOLIS NUISANCE CONDITION PROCESS REVIEW PANEL

In the matter of the Appeal of Director's Order To Demolish the Property Located at 1720 West Broadway Minneapolis, Minnesota.

FINDINGS OF FACT, CONCLUSIONS, AND RECOMMENDATION

This matter came on for hearing before the Nuisance Condition Process Review Panel on September 9, 2010. Noah Schuchman, chair, presided and other board members present included Patrick Todd, and Bryan Tyner. Assistant City Attorney Lee C. Wolf was present as *ex officio* counsel to the board. Thomas Deegan represented the Inspections Division at the hearing. No one appeared on behalf of the owner Silvia Padilla or Wells Fargo Bank which has the property in a foreclosure proceeding. Based upon the Board's consideration of the entire record, the Board makes the following:

## FINDINGS OF FACT

- 1. 1720 West Broadway is a duplex in the Jordan Neighborhood. The 2 story structure was built in 1900. The building is 1,592 square feet and sits on a 5,625 square foot lot.
- 2. The property located at 1720 West Broadway has been determined to be substandard. The property experienced a severe structure fire on November 27, 2009. A recent Code Compliance inspection resulted in orders to install at least two new footings, to replace fire damaged beams, joists, and studs. To replace damaged siding, and to repair all fire/smoke damaged ceilings and walls. All bathroom fixtures must be replaced due to fire/smoke damage. All broken glass needed to be replaced.

- 3. The Inspections Division of the City of Minneapolis determined that the property at 1720 West Broadway met the definition of a Nuisance under Minneapolis Code of Ordinances (hereinafter "M.C.O.") § 249.30. The applicable sections of M.C.O. § 249.30 provide that (a) A building within the city shall be deemed a nuisance condition if:
- (1) It is vacant and unoccupied for the purpose for which it was erected and for which purpose a certificate of occupancy may have been issued, and the building has remained substantially in such condition for a period of at least six (6) months.
- (2) The building is unfit for occupancy as it fails to meet the minimum standards set out by city ordinances before a certificate of code compliance could be granted, or is unfit for human habitation because it fails to meet the minimum standards set out in the Minneapolis housing maintenance code, or the doors, windows and other openings into the building are boarded up or otherwise secured by a means other than the conventional methods used in the original construction and design of the building, and the building has remained substantially in such condition for a period of at least sixty (60) days.
- (3) Evidence, including but not limited to neighborhood impact statements, clearly demonstrates that the values of neighborhood properties have diminished as a result of deterioration of the subject building.
- (4) Evidence, including but not limited to rehab assessments completed by CPED, clearly demonstrates that the cost of rehabilitation is not justified when compared to the after rehabilitation resale value of the building.
- 4. Pursuant to M.C.O. § 249.40(1) the building located at 1720 West Broadway was examined by the Department of Inspections to ascertain whether the nuisance condition should

be ordered for rehabilitation or demolition. Considering the criteria listed in M.C.O. § 249.40(1) the Inspections Department found:

- a. The estimated cost to rehabilitate the building is \$95,396 to \$127,828 based on the MEANS square footage estimate. The assessed value of the property for 2009 was \$105,500 and for 2010 the assessed value is \$40,000. The after rehab market value is estimated at \$125,000 based on the assessment of an independent appraiser.
- b. The Jordan Area Community Council and property owners within 350 feet of 1720 West Broadway were mailed a request for community impact statements. The Department of Inspections received none (0) in response.
- c. In 2000 the vacant housing rate in the Jordan Neighborhood was around 7%. Of the approximately 736 houses on the city's Vacant Building Registration, 111 are in the Jordan Neighborhood, a neighborhood of approximately 2,449 housing units.
- 5. The building located at 1720 West Broadway was condemned for being a boarded building and added to the City's Vacant Building Registry on February 2, 2010. The building has remained vacant and boarded since February 2, 2010.
- 6. Taking into account the criteria listed in § 249.40(1) a notice of the Director's Order to Raze and Remove was mailed on March 12, 2010, to Silvia Padilla, MERS, Bank of England Mortgage Co., Wells Fargo Bank and Reiter & Schiller. On April 12, 2010, Silvia Padilla filed an appeal of the order to demolish stating that they had \$109,000 in insurance money to repair the house but needed the money to be released by Wells Fargo Bank.

- 7. On March 17, 2010, a Sherriff's Sale occurred with Wells Fargo Bank submitting the winning bid on the property at \$176,233. The redemption period expired on September 17, 2010, with Silvia Padilla failing to redeem the property.
- 8. At the August 10, 2010, hearing neither Silvia Padilla nor anyone else representing anyone with an ownership interest appeared to request an opportunity to rehab the property. At the current time there are no bids or formal plan to rehabilitate the property.

## CONCLUSIONS

- 1. The building located at 1720 West Broadway meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(1) as the building is vacant and unoccupied for the purpose for which it was erected and the building has remained in such a condition for a period of at least six months.
- 2. The building located at 1720 West Broadway meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(2) as the building is unfit for occupancy as it fails to meet the minimum standards set out by city ordinances before a certificate of code compliance could be granted, or is unfit for human habitation because it fails to meet the minimum standards set out in the Minneapolis housing maintenance code, and the doors, windows and other openings into the building are boarded up or otherwise secured by a means other than the conventional methods used in the original construction and design of the building, and the building has remained substantially in such condition for a period of at least sixty (60) days.
- 3. The building located at 1720 West Broadway meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(3) as evidence, including but not limited to neighborhood impact statements, clearly demonstrates that the values of neighborhood properties have diminished as a result of deterioration of the subject building.

4. The building located at 1720 West Broadway meets the definition of a nuisance condition as set forth in M.C.O. § 249.30(a)(4) as evidence, including but not limited to rehab assessments completed by CPED, clearly demonstrates that the cost of rehabilitation is not

justified when compared to the after rehabilitation resale value of the building.

5. The building located at 1720 West Broadway meets the definition of a nuisance condition as defined by M.C.O. § 249.30 and a preponderance of the evidence, based upon the criteria listed in M.C.O. § 249.40, demonstrates that the building needs to be razed. The building has been vacant and boarded for nearly one (1) year. There is no current plan in place by anyone, with an interest in the property, to rehabilitate the property. With no plan in place to rehabilitate the property and no timeline to complete any rehabilitation the building will continue to be a nuisance in the neighborhood and affect the values of the surrounding properties.

## RECOMMENDATION

That the Director of Inspections' Order to Raze the building located at 1720 West Broadway, Minneapolis, Minnesota, be upheld.

Noah Schuchman

Chair.

Nuisance Condition Process Review Panel